

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 410 – HB 521

March 14, 2017

SUMMARY OF ORIGINAL BILL: Requires all public K-12 schools to purchase and maintain one automated external defibrillator (AED). Encourages private schools as defined in Tenn. Code Annotated § 49-6-3001 to place AEDs in schools as required by public schools in Tenn. Code Annotated § 49-2-122. Requires private schools with AEDs to comply with standards as required for public schools for maintenance, testing and training.

CORRECTED FISCAL IMPACT OF ORIGINAL BILL:

Increase Local Expenditures - \$360,000/FY17-18*
\$42,800/FY19-20 and Subsequent Years*

SUMMARY OF AMENDMENT (004839): Deletes and replaces certain language of the bill such that the only substantive change is to make the purchase of an AED device permissive for elementary schools.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase Local Expenditures – \$148,000/FY17-18*
\$17,600/FY19-20 and Subsequent Years*

Assumptions for the bill as amended:

- Based on information from the Department of Education, there are 180 public schools without an AED.
- Pursuant to Tenn. Code Annotated § 49-2-122, LEAs are currently encouraged but not required to stock schools with AEDs. Therefore, AEDs are permissive expenditures for local governments under current law.
- The amended bill makes it a permissive option for elementary schools to place AEDs in such schools, which will be consistent with Tenn. Code Ann. § 49-2-122; however, the amended bill maintains the requirement that public middle and high schools place an AED in such schools.

- Based on information from the DOE, there are 1,077 public elementary schools in Tennessee. This accounts for approximately 59 percent of all Tennessee public schools (1,077 public elementary schools / 1,833 all public schools).
- It is assumed that a similar percentage of the 180 schools without AEDs are elementary schools, or 106 (180 x 59.0%) are elementary schools; Therefore, 74 middle and high schools (180 – 106) are assumed to be required to purchase AEDs due to the provisions of the amended bill.
- Based on information provided by the Comptroller of the Treasury, the average cost for an AED per the state contract is approximately \$2,000. Replacement parts are estimated to be \$475 (\$140 for AED pads + \$135 battery + \$200 electrodes), to be replaced every two years.
- The mandatory one-time increase in local expenditures associated with the AEDs is estimated to be \$148,000 (74 schools x \$2,000).
- The mandatory recurring biennial increase in local expenditures is estimated to be \$35,150 (74 schools x \$475); annualized, the mandatory recurring increase, beginning in FY19-20, is estimated to be \$17,575 (\$35,150 / 2 years).

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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